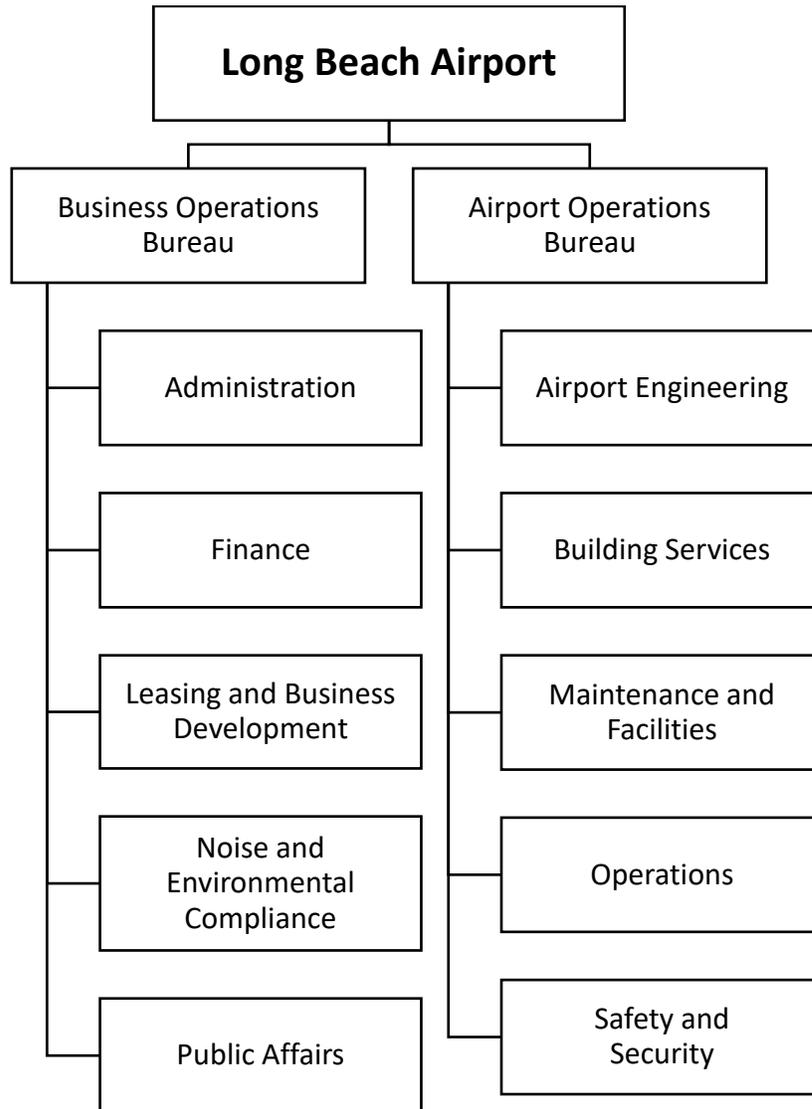


Long Beach Airport



Claudia Lewis, Interim Director of Long Beach Airport

Juan López-Rios, Deputy Director of Long Beach Airport

Dale Worsham, Acting Manager, Business Operations Bureau

Ronald E. Reeves, Manager, Airport Operations Bureau

Department Overview

Mission:

To provide the highest level of customer service while operating a safe, efficient and environmentally sustainable airport.

Core Services:

- Provide the highest level of customer service
- Maintain the highest level of safety and security
- Improve the quality of life of the surrounding community
- Provide a fair and reasonable operating cost to our business partners
- Enhance the value and economic impact of the Long Beach Airport (LGB) to its stakeholders, including the Long Beach community
- Maintain an efficient and effective business model

FY 20 Focus:

The Long Beach Airport (Airport) is projected to serve 3.7 million passengers in FY 19. This volume of passenger traffic is expected to increase to 3.9 million passengers in FY 20 as flight slot utilization stabilizes under recently adopted amendments to the slot allocation resolution. Although passenger activity in recent years are at an all-time high for the Airport, the Airport's focus remains the same – deliver its core services in the most efficient manner. This includes making sound business decisions to address changes in the aviation industry, providing the highest level of customer service to its business partners, and maintaining an award-winning travel experience.

In FY 20, the Airport will continue to strengthen its financial position through enhancing existing services and investing in new business opportunities that will increase and diversify revenues. As technology becomes more of an integral part of business operations, the Airport seeks to capitalize on the efficiency and the added capabilities that new technologies bring, such as full-automation of parking operations, acceptance of online or mobile ordering and payments, and real-time reporting of activities. These efforts require the collaboration between the Airport, stakeholders, business partners and the City's Technology and Innovation team to successfully implement new technologies while remaining compliant with regulations.

Enhancements in the FY 20 Budget include an increase to budget to keep up with growing costs and operations; a new Security Analyst position to strengthen regulatory compliance and support safety operations; and an increase to the arts program budget for the continued support of the Airport's Arts, Community and Entertainment (ACE) Program. In addition to a sustainability program budget that was added in FY 20, the Airport will have its first ever electric vehicles in its fleet that help the Airport take a step towards becoming a green airport.

The Airport's multi-year Capital Improvement Program provides improvements to critical infrastructure, such as runways and facilities. These improvements are focused on enhancing the safety and efficiency of those infrastructure and are instrumental to maintaining the operations of an airport. FY 20 projects include reconstruction of taxiway C, minor improvements to maintain the airfield and terminal area, and the continuation of Phase II of the Terminal Area Improvement Program, which will bring a new ticketing facility, a consolidated baggage claim area, a new baggage screening facility, and an improved courtyard.

Department Performance Measures

Key Measure	FY 18 Actual	FY 19 Target	FY 19 Estimate	FY 20 Projection
Number of public safety calls responded to	48,721	49,000	49,000	49,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 20 to mirror those in FY 19. These public safety responses help to ensure a safe and secure environment across the Airport campus. Ongoing construction related activities continue to require security support for escort services and ID checks.

Key Measure	FY 18 Actual	FY 19 Target	FY 19 Estimate	FY 20 Projection
Airline Cost per enplaned passenger	\$9.10	\$9.00	\$8.44	\$9.00

Airline cost per enplanement is expected to decrease in FY 19 over the prior year. This trend will reverse in FY 20 as the Airport increases its rates and charges to airlines and push CPE closer to the targeted \$9.00 per enplanement level.

Key Measure	FY 18 Actual	FY 19 Target	FY 19 Estimate	FY 20 Projection
Number of airfield and facility maintenance request responses completed	2,162	2,200	2,200	2,300

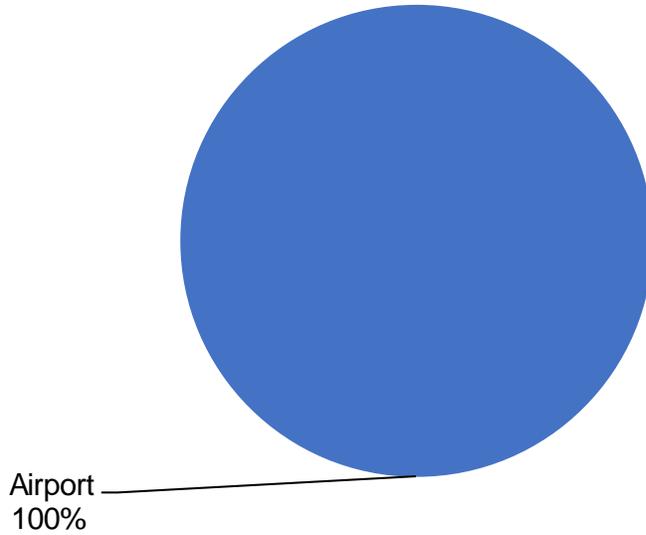
The Long Beach Airport uses SharePoint to request, assign, and track airfield and facility maintenance tasks. The Facilities Maintenance and Building Services Divisions provide services for an aging historic terminal and a new concourse facility whose infrastructure is no longer covered by warranties. The increase in passenger activity requires more frequent maintenance and servicing of equipment and facilities, especially those used more often. Furthermore, the Airport has a larger portfolio of facilities to manage than ever before that continues to grow as we roll out Phase II of the Terminal Area Improvement Program. These construction projects will increase the number of call outs for site-preparation and modifications to minimize the impact to operations and travelers during construction.

FY 19 Accomplishments

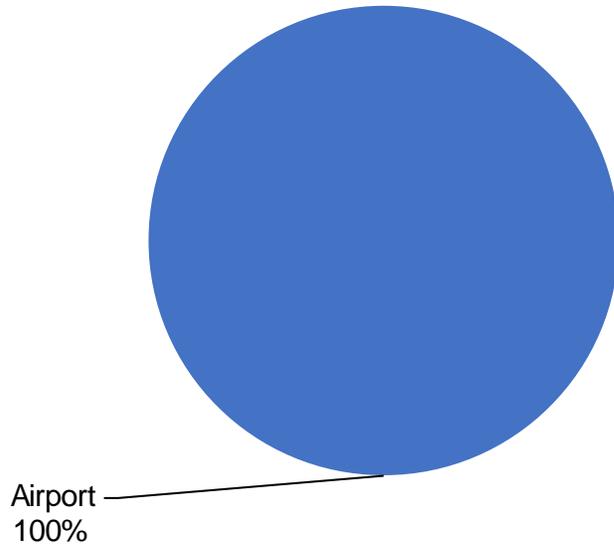
- Commemorated the 95th Anniversary of Long Beach Airport with a year-long celebration
- Maintained a 4.5-star rating on Yelp; social media followers grew to 17,374 on Facebook, 12,704 on Twitter, and 6,120 on Instagram
- Conducted a table-top exercise of the Family Assistance Support Plan, which focused on the readiness to provide family assistance following a crisis. The exercise included participants from Long Beach Police and Fire Departments, Red Cross, airport tenants, and other organizations
- Exhibited at a variety of aviation-related conferences, including the Airports Council International – North America (ACI-NA) Conference, National Business Aviation Association (NBAA) Schedulers and Dispatchers Conference, and Women in Aviation International Conference
- Recipient of the Art Deco Society of Southern California Preservation Award for preservation of the Historic Terminal and mosaics
- Collaborated with California State University Long Beach to present the School of Art (SOAR), a pilot program to incorporate artwork at the Airport and engage the community - CSULB SOARs @ LGB showcases temporary art exhibits on a rotating basis
- Hosted 6th Annual Festival of Flight
- Participated in variety of community events, such as Flames of Hope project, Martin Luther King Jr. Parade, Acura Grand Prix of Long Beach Expo, Fiesta in the Park, Belmont Shore Christmas Parade, Long Beach Pride Parade, Daisy Avenue Christmas Tree Lane Parade, and many other events
- Recipient of the prestigious California Association of Public Information Officials (CAPIO) Excellence in Public Information and Communications (EPIC) Award in the category of Communication and Marketing Tools / Special Event / Recurring for the Festival of Flight
- Implemented a volunteer therapy dog program
- Hosted the 2019 Western Region Airport Property Managers (WRAPm) Conference
- Received a TSA Other Transaction Agreement of over \$10 million for construction of the new CBIS facility
- Completed the reconstruction of Runway 25L
- Completed the installation of a new HVAC system for the historic terminal building
- Constructed a new AOA wall
- Relocated the Airport Cellphone Waiting Lot
- Erected the new Long Beach Airport Monument Sign
- Installed new electric charges for ground service equipment to support greener operations by airlines
- Completed several curbside improvements throughout the terminal area
- Successfully reallocated 10 air carrier slots
- Implemented new security features for the Airport's security badges
- Implemented an improved airfield drivers training program using virtual reality equipment and becoming one of the first in the industry to use the technology

FY 20 Budget

FY 20 Revenues by Fund Group



FY 20 Expenditures by Fund Group



Fund Impact

Fund Group	Revenues	Expenditures	Fund Impact
Airport	55,650,394	50,082,631	5,567,764
Total	55,650,394	50,082,631	5,567,764

Summary of Changes*

AIRPORT FUND	Impact	Positions
Add an Administrative Analyst II position to support the Security Division due to increased mandatory regulatory requirements.	114,913	1.00
Add an Administrative Analyst III position to the Administration Division to assist in revenue generation and commercial enterprise management.	122,984	1.00
Increase budget to better align with actual costs for supplies and services incurred from higher passenger activity at the Airport.	135,000	-
Increase expense budget for on-going maintenance of three new vehicles for the Airport Operations, Security, and Terminal Operations Divisions.	38,031	-
Increase expense budget to implement a Green/Sustainability Program at the Airport.	250,000	-
Increase revenue to reflect higher projections based on an enplanement forecast.	(762,344)	-
Increase revenue to reflect adopted changes to Airline rates and charges.	(337,022)	-
One-time funding for an Arts, Community and Entertainment Program (ACE) at the Airport including art projects and installments.	161,340	-
One-time funding for the purchase of one hybrid and two electric vehicles for the Airport Operations, Security, and Terminal Operations Divisions.	133,508	-
Reduce expense budget for Property Management Services to reflect savings from operations being handled in-house and no longer outsourced.	(141,882)	-

*For ease of review, reallocation of resources within departments, offsets, adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Business Operations Bureau

Key Services:

- | | |
|--|--|
| <p>1. Administration</p> <ul style="list-style-type: none"> • Personnel and Payroll • Training • Policy Development and Implementation <p>2. Finance in Compliance with FAA Regulations</p> <ul style="list-style-type: none"> • Accounting and Accounts Payable • Set Rates and Charges • Manage Bond Payments and Covenants • FAA Financial Reporting • Budgeting and Financial Forecasting <p>3. Leasing and Business Development in Compliance with FAA Regulations</p> <ul style="list-style-type: none"> • Ground Transportation • Airport Concessions Program - Food and Beverage, Retail, Vending, Advertising, Rental Car and Parking • Ground Leases and Permits | <p>4. Noise Management in Compliance with City Noise Ordinance</p> <ul style="list-style-type: none"> • Data accumulation, compilation and reporting • Noise ordinance enforcement • Pilot/Tenant Outreach • Response to citizen noise complaints • Working with FAA to mitigate noise impacts <p>5. Public Affairs in Compliance with FAA Regulations</p> <ul style="list-style-type: none"> • Monitor & Develop Airport-related legislation (federal & state) • Community outreach / special events • Advertising and Social Media |
|--|--|

FY 20 Funding Source: Airport Fund 100%

Business Operations	Actuals FY 18	Adjusted* FY 19	Adopted** FY 20
Revenues	48,207,663	45,734,187	45,693,454
Expenditures	14,888,735	16,397,647	17,346,404
FTEs	31.52	28.52	29.22

*Amounts as published in the FY 20 Proposed Budget released July 3, 2019

**Amounts exclude all-years carryover.

Narrative:

The Business Operations Bureau is comprised of the Finance, Administration, Leasing and Business Development, Noise and Environmental Compliance, and Public Affairs Divisions. The Bureau continues to focus on providing support to Airport operations while implementing revenue maximization and cost saving strategies to maintain a healthy and sustainable fund.

In FY 20, passenger activity increases over the prior year and helps generate revenues to support growing costs. This will be achieved through prudent management of the noise budget which will allow for increased utilization of flight slots. In addition, increased activity will allow for more revenue generating opportunities.

A new arts program budget is added in FY 20 to support the Airport's Arts, Community and Entertainment (ACE) Program, as well as meet the City Council's 1 Percent for the Arts Initiative. Led by the Public Affairs divisions with representatives from several other divisions, the Airport will see a more robust and inclusive arts program that will add to the award-winning travel experience.

Airport Operations Bureau

Key Services:

1. Operational Compliance with FAR Part 139 Requirements

- Ensure FAA Safety and Management standards
- Provide airfield escort services to contractors, vendors, and tenants
- Respond to FAA alerts and Issue Notices to Airmen
- Wildlife abatement

2. Maintenance

- Fulfill work orders from Operations in Compliance with FAR Part 139
- Facility maintenance
- Grounds maintenance

3. Building Services

- Janitorial

4. Security Compliance with FAR Part 1542 Requirements

- Airside and landside patrol
- Airport security badging
- Security and grant coordination with FAA and TSA
- Dispatch

5. Airport Engineering

- Develop & coordinate CIP plan with FAA
- FAA Grant and PFC Application submittals and reporting
- Construction Management
- Plan Review and Permit Checks

FY 20 Funding Source: Airport Fund 100%

Airport Operations	Actuals FY 18	Adjusted* FY 19	Adopted** FY 20
Revenues	26,693,907	9,877,690	9,956,940
Expenditures	51,150,021	34,052,517	32,736,227
FTEs	98.52	84.52	85.82

*Amounts as published in the FY 20 Proposed Budget released July 3, 2019

**Amounts exclude all-years carryover.

Narrative:

The Airport Operations Bureau includes the Operations, Safety and Security, Maintenance and Facilities, and Building Services Divisions. Each Division provides a unique and essential service to either ensure compliance with FAA Part 139 requirements or assure the safety and comfort of Long Beach Airport passengers and visitors.

The Operations Division will be instrumental in the efforts to becoming a green Airport. FY 20 enhancements include a sustainability program budget that will support sustainability efforts that the Division will be highly involved in on the Airfield side and also includes the addition of the Airport's first ever electric vehicles to its fleet.

The Safety and Security Division will see renewed focus on regulatory compliance and improvements to the access control system. These efforts will be supported by the new Security Analyst and vehicle added to the FY 20 budget.

Enhancements to the operating expense budget will support the growing cost and operations of the Airport. This allows the Division to continue making improvements to the lighting systems and equipment around the Airport and to maintain the cleanliness of the Airport that contributes to the overall travel experience.

Capital improvements are vital to maintaining a safe and efficient Airport for both travelers and business partners alike. The Airport's extensive capital improvement program includes projects on the airfield and in the terminal area in FY 20.

Financial Summary by Category

	Actual FY 18	Adopted* FY 19	Adjusted** FY 19	Adopted* FY 20
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	98,143	76,560	76,560	76,560
Fines and Forfeitures	31,726	-	-	15,000
Use of Money & Property	57,330,208	54,158,115	54,158,115	54,076,382
Revenue from Other Agencies	17,349,013	1,364,202	1,364,202	1,428,452
Charges for Services	-	-	-	-
Other Revenues	92,482	13,000	13,000	54,000
Interfund Services - Charges	-	-	-	-
Intrafund Services - General Fund Charges	-	-	-	-
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	-	-
Operating Transfers	-	-	-	-
Total Revenues	74,901,571	55,611,877	55,611,877	55,650,394
Expenditures:				
Salaries, Wages and Benefits	12,000,027	12,310,231	12,283,216	12,751,680
Overtime	1,000,424	324,380	324,380	324,380
Materials, Supplies and Services	31,262,061	12,478,117	14,108,893	13,224,068
Internal Support	11,653,464	14,506,985	14,508,651	14,555,583
Capital Purchases	161,288	153,000	3,000	3,000
Debt Service	9,798,602	9,222,025	9,222,025	9,223,920
Transfers to Other Funds	162,890	-	-	-
Total Expenditures	66,038,755	48,994,737	50,450,164	50,082,631
Personnel (Full-time Equivalents)	130.04	113.04	113.04	115.04

* Amounts exclude all-years carryover. See budget ordinance in the back of this document.

** Amounts as published in the FY 20 Proposed Budget released July 3, 2019.

Personnel Summary

Classification	FY 18 Adopt FTE	FY 19 Adopt FTE	FY 20 Adopt FTE	FY 19 Adopted Budget	FY 20 Adopted Budget
Airport Director	1.00	1.00	1.00	226,102	226,101
Accountant III	2.00	2.00	2.00	174,171	158,370
Accounting Clerk III	2.00	2.00	2.00	108,193	108,193
Administrative Analyst II	3.00	2.00	3.00	156,613	225,292
Administrative Analyst III	4.00	4.00	5.00	373,685	429,504
Administrative Intern - NC/H44	3.04	2.04	2.04	104,671	104,665
Administrative Officer-Airport	1.00	1.00	1.00	118,140	118,139
Airport Deputy Director	1.00	1.00	1.00	180,480	180,480
Airport Engineering Officer	1.00	1.00	1.00	153,937	153,938
Airport Operations Assistant I	2.00	-	-	-	-
Airport Operations Assistant II	6.00	7.00	7.00	353,730	344,019
Airport Operations Assistant I-NC	4.00	4.00	4.00	189,214	189,204
Airport Operations Officer	1.00	1.00	1.00	104,173	111,466
Airport Operations Specialist I	3.00	6.00	6.00	364,468	353,992
Airport Operations Specialist II	5.00	7.00	7.00	489,022	503,615
Airport Public Affairs Assistant	2.00	2.00	2.00	150,988	153,560
Airport Public Affairs Officer	1.00	1.00	1.00	100,857	100,857
Assistant Administrative Analyst II	-	1.00	1.00	61,259	66,278
Building Services Supervisor	1.00	1.00	1.00	58,265	58,265
Capital Projects Coordinator III	1.00	1.00	1.00	82,455	82,455
Civil Engineer	2.00	2.00	2.00	216,346	222,128
Civil Engineering Associate	1.00	1.00	1.00	90,093	94,731
Clerk Typist II	3.00	3.00	3.00	124,997	121,394
Clerk Typist III	5.00	6.00	6.00	287,362	289,287
Construction Inspector II	1.00	1.00	1.00	92,077	93,539
Electrician	2.00	2.00	2.00	136,281	136,281
Equipment Operator II	2.00	2.00	2.00	108,718	108,718
Executive Assistant	1.00	1.00	1.00	69,371	72,447
Facilities Management Officer	1.00	1.00	1.00	104,083	104,083
Financial Services Officer	1.00	1.00	1.00	118,140	108,165
General Maintenance Assistant	4.00	4.00	4.00	203,694	216,412
Maintenance Assistant I	6.00	11.00	11.00	397,767	416,602
Maintenance Assistant II	8.00	8.00	8.00	324,989	328,190
Maintenance Assistant III	5.00	5.00	5.00	223,191	240,110
Manager-Administration & Financial Services	1.00	1.00	1.00	157,153	157,153
Manager-Airport Operations	1.00	1.00	1.00	157,153	157,153
Mechanical Supervisor	1.00	1.00	1.00	76,795	85,491
Noise Abatement Officer	1.00	1.00	1.00	121,729	117,350
Painter II	2.00	2.00	2.00	114,618	117,267
Painter Supervisor	1.00	1.00	1.00	69,503	56,811
Real Estate Project Coordinator II	-	1.00	1.00	84,951	84,951

Personnel Summary

Classification	FY 18 Adopt FTE	FY 19 Adopt FTE	FY 20 Adopt FTE	FY 19 Adopted Budget	FY 20 Adopted Budget
Senior Accountant	1.00	1.00	1.00	78,831	78,831
Senior Civil Engineer	2.00	2.00	2.00	235,989	242,366
Special Projects Officer-Airport	1.00	1.00	1.00	135,900	120,411
Special Services Officer II	4.00	4.00	4.00	225,571	228,370
Special Services Officer III	23.00	1.00	1.00	62,819	62,819
Special Services Officer IV	5.00	-	-	-	-
Superintendent-Airport Security	1.00	1.00	1.00	122,451	153,938
Subtotal Salaries	130.04	113.04	115.04	7,690,991	7,883,390
Overtime	-	-	-	324,380	324,380
Fringe Benefits	-	-	-	4,482,846	4,713,174
Administrative Overhead	-	-	-	153,827	168,380
Attrition/Salary Savings	-	-	-	(156,568.00)	(156,568)
Expenditure Transfer	-	-	-	139,135	143,304
Total	130.04	113.04	115.04	12,634,611	13,076,060

